

Abengoa Reaches a Milestone in its Viability Plan with Sale of 25% of Atlantica Yield and Strategic Partnership with Algonquin Power and Utilities Corp.

- Total consideration for the transaction of 607 MUSD, which implies 24.25 USD per Atlantica Yield share.
- Algonquin Power & Utilities Corp.(APUC) retains an option to acquire the remaining 16.5% interest of Abengoa in Atlantica Yield once the transaction is completed, at the same price and conditions, subject to approval by the United States Department of Energy.
- Abengoa and Algonquin Power & Utilities Corp. (APUC) to set up a joint development company for the international development and construction of energy and water infrastructure assets.

November 1, 2017 – Abengoa (MCE: ABG/P:SM), the international company that applies innovative technology solutions for sustainability in the infrastructure, energy and water sectors, continues to progress in the execution of its viability plan. The latest milestone achieved is the sale of a 25.0% ownership interest in Atlantica Yield to Algonquin Power & Utilities Corp. (“APUC”), which also obtains an option to acquire the remaining 16.5% stake, at the same price and conditions, subject to approval by the United States Department of Energy.

The transaction consideration amounts to 607 MUSD, equivalent to 24.25 USD per share. In addition, Abengoa is entitled to 30% of the revaluation of Atlantica Yield in the first year following the closing of the transaction, up to 0.60 USD per share or 15 MUSD in total.

Following the satisfaction of certain conditions precedent, the remaining proceeds (approx.515 MUSD) will be used for the repayment of the debt as per the financial contracts. According to Gonzalo Urquijo, Executive Chairman of Abengoa, “Abengoa continues to progress in the execution of its viability plan. The value of this transaction resides, however, not only in the accomplishment of a key milestone for the restructuring, through the sale of a majority of the Atlantica Yield stake at a premium to the current market price and a step forward in the normalisation of Abengoa’s current financial situation, but also in closing a wide-reaching strategic agreement with APUC”.

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The closing of the transaction will be effective once conditions precedent are met, such as the effectiveness of required consents from Abengoa's creditors, which is expected to be obtained by January 2018.

As part of the agreement, APUC will have the possibility to acquire at the same price the remaining 16.5% interest that Abengoa holds in Atlantica Yield within 60 days after completion of the transaction. In addition, APUC will also have a ROFR (Right of First Refusal) during a 30-day period, subject to a longstop date of 31 March 2018.

Joint Venture with APUC

Abengoa and APUC have signed a strategic agreement whereby both companies will create a joint venture for the international development of energy and water infrastructure assets: Abengoa-Algonquin Global Energy Solutions ("AAGES").

The creation of AAGES will also result in new business opportunities for Abengoa as the company will have exclusive rights to develop both EPC (Engineering, Procurement and Construction) and O&M (Operation and Maintenance) activities of all the projects developed by AAGES, in addition to having a preferential right for all projects developed by APUC.

Likewise, this partnership will accelerate the construction and sale of concession assets from Abengoa to Atlantica Yield currently under the existing ROFO (Right of First Offer) agreement between Abengoa and Atlantica Yield, which also represents a key milestone in the Abengoa divestment program.

Abengoa Viability Plan

The sale of the ownership stake in Atlantica Yield is part of Abengoa's divestment strategy and represents a new step in the viability process the company is currently undergoing. The sale of the stake in Atlantica Yield complements the following recent divestments: Norte III, Bioenergy Europe, Bioenergy USA, Ashalim thermosolar plant in Israel, Qingdao desalination plant in China and the sale of the subsidiary Abentel to Ericsson, amongst others.

Lazard, CaixaBank and Banco Santander are acting as financial advisors to Abengoa in the transaction, with Herbert Smith Freehills acting as legal advisor.

About Algonquin Power & Utilities Corp.

APUC is a diversified generation, transmission and distribution utility with \$10 billion of total assets in the US and Canada representing more than 1,250 MW of installed capacity. Through its two business groups, APUC provides rate regulated natural gas, water, and electricity generation, transmission, and distribution utility

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services to over 750,000 customers in the United States, and is committed to being a global leader in the generation of clean energy through its portfolio of long term contracted wind, solar and hydroelectric generating facilities. APUC delivers continuing growth through an expanding pipeline of renewable energy development projects, organic growth within its rate regulated generation, distribution and transmission businesses, and the pursuit of accretive acquisitions. Common shares and preferred shares are traded on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A, and AQN.PR.D. APUC's common shares are also listed on the New York Stock Exchange under the symbol AQN.

About Abengoa

Abengoa (MCE: ABG/P:SM) applies innovative technology solutions for sustainability in the infrastructures, energy and water sectors (www.abengoa.com).

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